

Declaration of David D. Kinley

1. I, David D. Kinley, am the president of Sun West Cable, Inc., the

4. At my direction, Company has analyzed how the Commission's proposed "benchmark" rates will affect its ability to continue to provide current levels of cable service to subscribers as required under its franchise agreement. In particular, Company has calculated the rates it is permitted to charge its cable customers under the benchmark standards. We have also projected the anticipated amount of revenues that would be generated under the benchmark rates, assuming no change in the number of customers or selection of services.

5. At the present time--even without any rate reductions under the Commission's proposed regulations--Company is not earning a net profit on its cable service operations in the System.

6. Company's current rates in the System exceed the benchmark rate prescribed by the Commission. Our estimate is that, under the benchmark approach, Company would be required to reduce its current rates in the System by about 26.4%, resulting in an annual revenue loss of approximately \$97,320 or approximately 20.6%. The revenues we calculate we would receive under the benchmark rates are insufficient to meet our current expenses for the System, including principal and interest payments.

7. Such a rate reduction would have an immediate, adverse and irreparable impact on the Company's ability to continue its current

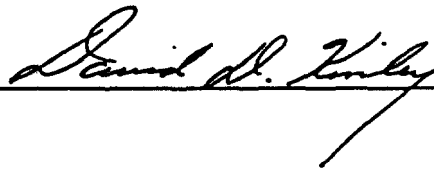
level of service to subscribers of the System. In particular, the projected cash flow reduction would make it impossible for the System to service its pro rata share of existing debt. If a similar reduction in cash flow were to result from application of the benchmarks in the other systems of the Company, this would cause both a technical default with covenant compliance in existing loan provisions regarding ratios of debt to cash flow, as well as a payment default on scheduled

10. Because the Commission has not yet released any regulations for
"cost of service" determinations, Company cannot determine what costs

small systems face problems which are identical or very similar to those now faced by the Company.

I declare under penalty of perjury that the foregoing is true and correct.

Dated 17th day of June, 1993, in Pleasanton, California.



A handwritten signature in cursive script, reading "David D. Kinley", is written over a horizontal line.

David D. Kinley

DECLARATION OF D. JACK STOCK

1. I, D. Jack Stock, am the Senior Vice President and Chief Financial Officer of Boulder Ridge Cable TV, a California Corporation ("Boulder"). Boulder owns and operates a cable television system in Placer County, California ("System"). As of May 31,

1983, the System provided cable service to approximately 12,000

the anticipated amount of revenues that would be generated from the benchmark rates. assuming no change in the number of subscribers or

current level of service to subscribers. In particular, the projected cash flow reduction would make it impossible for Boulder to service its existing debt as it is now structured. Current projections indicate an operating cash balance at December 31, 1994 of approximately \$98,000, after 1994 debt service of approximately \$1,215,000. If revenues were to decrease to the benchmark level, Boulder would be unable to service this debt, and would be in default under its credit agreement. In addition, the cash flow reduction would prevent the company from going forward with its

a charge pursuant to a "cost of service" proceeding. Because the Commission has not yet released any regulations for cost of service determinations, Boulder cannot determine what costs may be recovered or what rate of return it can expect to obtain. For that reason, we find it impossible to "elect" such an undeterminable option, as it might prove to be more of a detriment to Boulder than the benchmark rates.

9. Also, with the uncertainty associated with the costs of probable "retransmission consent" fees, we find it impossible at this time to go forward with our own cost of service determinations.

10. Moreover, without information on the expected rate of return under any cost of service approach, Boulder will be unable to provide assurance to its lender that it will continue to have the cash flow required to service its current financial obligations.

11. Finally, the delays and uncertainties associated with determining "cost of service" would severely impact Boulder's ability to obtain additional financing, or alternative sources of funding for future expansion of services and facilities as required by its franchise agreements.

12. Any "cost of service" showing also will entail substan-

tial time and expense both "in house" and in retaining outside accounting expertise. Such additional expense may not be recoverable under any regulations the Commission ultimately might adopt.

I declare under penalty of perjury that to the best of my knowledge the foregoing is true and correct.

Dated this sixteenth day of June, 1993, in Half Moon Bay, California.


D. Jack Stock

STATE OF CALIFORNIA }
COUNTY OF SAN MATEO } ss.
On 6/16/93 before me, LYNNETTE GIUSTI,
personally appeared D. JACK STOCK,
_____ personally known to me (or proved
to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within
instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies),
and that by his/her/their signature(s) on the instrument the person(s) or the entity upon behalf of which the
person(s) acted, executed the instrument.

WITNESS my hand and official seal.

Signature 



Declaration of Stanley M. Searle

I, Stanley M. Searle, am the President of Pioneer Cable, Inc., which owns and operates a cable television system located in Huerfano County, Colorado. Our company, doing business as Cuchara Valley Cable, presently serves 157 subscribers, providing eight basic channels, of which only one is received off-air; the other seven being satellite channels.

2. I am responsible for the overall operations of Cuchara Valley Cable, including financial, technical and customer service aspects. I am also familiar with the terms of the contract under which we promised to provide cable service to residents of the Cuchara Ski Area, which comprises part of our service area.

3. We have analyzed how the Commission's proposed "benchmark" rates will affect our ability to continue to provide cable service to residents in and around the village of Cuchara, Colorado. We have calculated specifically the rates we are permitted to charge our cable customers under the benchmark standards. And we have projected the operating losses that would be generated using the benchmark rates, assuming no change in the number of customers and assuming (~~absent~~ any assurances from the broadcast stations) that we will not be forced to pay retransmission fees.

4. At the present time, Cuchara Valley Cable is not earning a net profit on its cable service operations. In fact, at the present time, Cuchara Valley Cable is losing \$1.26 per month per household served: The basic rate (in effect since May 1992) charged each System subscriber is \$22.00; costs are \$23.26, which include depreciation of \$3.03 and pro rata overhead of \$3.28. The calculated costs are relatively conservative (inasmuch as the depreciation is not a true replacement cost).

5. Cuchara Valley Cable's current rates exceed the benchmark rate of \$16.32 prescribed by the Commission. To comply with the benchmark approach, we would have to reduce our current rate by 26%, resulting in an annual loss of revenue of approximately \$10,700. Projected revenues using the benchmark rates, even if network stations do not demand retransmission payments, indicate years of operating losses. Furthermore, the projected cash flow (net of depreciation, interest and any return on investment) is insufficient to maintain operations, including plant and equipment repairs and replacement, based on benchmark rates.

Pioneer Cable's existing debt attributable to it from projected cash flow after rate reduction. Moreover, line extensions to serve additional customers would, obviously, be impossible to pay for out of generated funds.

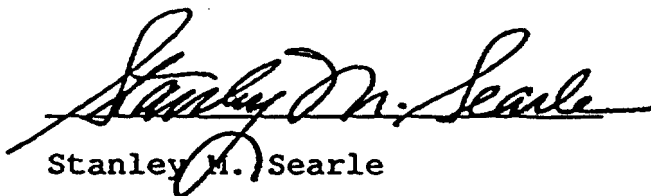
7. If the Commission's benchmark rates are adopted by Cuchara Valley Cable, it will not be possible to continue providing even the modest eight-channel service now delivered to this isolated and sparsely populated community.

rates which, if adopted, will eliminate (or, at best, greatly diminish) cable service to the residents of Cuchara, Colorado.

10. Operators of small systems, such as Cuchara Valley Cable, risk loss of credibility, and loss of subscribers, if rates must be arbitrarily reduced to less than the operating break-even. Even if new rules or interpretations subsequently allow raising rates to a profitable level, the disruption and confusion will be a disservice to the cable customer and could permanently damage our reputation in the community.

I declare under penalty or perjury that the foregoing is true and correct.

Dated 17th day of June, 1993, in Monument, Colorado.


Stanley M. Searle

Declaration of Gilbert R. Clark Jr.

I, Gilbert R. Clark Jr., am the Managing Partner of Multi-Cablevision Co. of Livingston/Washtenaw (Multi-Cablevision). Multi-Cablevision Co. owns and operates a cable television system located in and around Livingston and Washtenaw Counties in Michigan. As of May 30, 1992, Multi-Cablevision Co. provides cable service to approximately 12,000 subscribers and has 44 channels and 28 satellite signals. This system has been constructed since 1984 and has a density of less than 35 homes per mile.

As Multi-Cablevision's General Partner, I am responsible for the overall financial operations of the company, including its ability to service existing debt and attract the capital required to continue current levels of cable service to subscribers. I also am familiar with the provisions of Multi-Cablevision's franchise agreements with local authorities and credit agreements with lenders.

At my direction, Multi-Cablevision has analyzed how the Commission's proposed "benchmark" rates will affect its ability to continue to provide current levels of cable service to subscribers as required under its franchise agreement. In particular, Multi-Cablevision has calculated the rates it is permitted to charge its cable customers under the benchmark standards.

We have also projected the anticipated amount of revenues that

would be generated from the benchmark rates, assuming no change in the number of customers or selection of services. At the present, even without any rate reductions under the Commission's proposed regulations, Multi-Cablevision is not earning a net profit on it's cable service operations.

Multi-Cablevision's current rates exceed the benchmark rate prescribed by the Commission. Under the benchmark approach, Multi-Cablevision would be required to reduce it's current rates by an average of 15%, resulting in an annual loss of revenue of approximately \$600,000.00. The revenues we calculate we would receive under the benchmark rates are insufficient to meet our current expenses. In addition, the change in our Basic Rate would result in an increased copyright liability of \$80,000.00 per year. Further, our must carry stations from Detroit have notified us that they are electing retransmission consent and will seek some as yet undetermined cost to us for carriage of their signals.

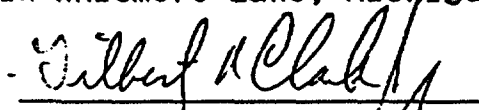
Such a rate reduction would have an immediate, adverse and irreparable impact on the Company's ability to continue our current level of service to subscribers. In particular, the projected cash flow reduction would make it very difficult for Multi-Cablevision to service it's existing debt.

In addition, the cash flow reduction would prevent the company from obtaining further working capital loans necessary to

place us in default of the cash flow covenants of our loan agreement. Our lender would then have the right to call our loan, forcing us to sell the system or file bankruptcy.

Because the Commission has not yet released any regulations for "cost of service" determinations, Multi-Cablevision cannot determine what costs may be recovered or what rate of return it can expect to obtain. For that reason, we are reluctant to "elect" that option, which might prove to be worse than the benchmark rates. Moreover, without information on the expected rate of return under any cost of service approach, Multi-Cablevision will be unable to provide assurance to lenders and other sources of capital that it will continue to have the cash flow required to service it's current financial obligations. Finally, the delays and uncertainties associated with determining "cost of service" would severely impact Multi-Cablevision's ability to obtain additional financing for future expansion of services and facilities, as required by it's franchise agreements. Any "cost of service" showing also will entail substantial time and expense which may not be recoverable under any regulations the Commission ultimately might adopt. I declare under penalty of perjury that the foregoing is true and correct.

Dated this 16 day of June, 1993, in Whitmore Lake, Michigan.

A handwritten signature in dark ink, appearing to read "Gilbert R. Clark, Jr.", written over a horizontal line.

Gilbert R. Clark, Jr.
Managing Partner

DECLARATION OF RALPH J. MORROW, JR.

OK
R. J. Morrow
7-15-93

1. I, Ralph J. Morrow, Jr., am the owner of Catalina Cable TV Company ("Catalina Cable"). Catalina Cable TV Company owns and operates a cable television system located in the City of Avalon, Los Angeles County, California. As of June 1, 1993, Catalina Cable provides cable to approximately 1,100 subscribers and has 47 channels (including pay channels) and 36 satellite signals. We employ an office manager, installer and a part-time bookkeeper. My duties range from owner-operator and chief engineer down to janitor.

2. As Catalina Cable's owner, I am responsible for the overall financial operations of the company, including its ability to

OK R. J. 7-15-97
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populated. If the required expansion is not undertaken, we risk default under our franchise agreement and revocation of the franchise. I recently informed the Los Angeles county staff that I may be unable to comply with the expansion requirements of the franchise because, with the projected rate reductions under the Commission's benchmark rates, Catalina Cable will not have sufficient cash flow to finance the required capital improvements.

Declaration of W. Robert Felder

1. I, W. Robert Felder, am the President of Grassroots Cable

Systems, Inc. ("Grassroots"). Grassroots owns and operates twenty-

standards. We have also projected the anticipated amount of revenues that would be generated from the benchmark rates, assuming no change in the number of customers or selection of services.

5. Grassroots was conceived exclusively to serve rural markets that are unserved by other cable operators. Phase I included a \$12.5 capital investment to serve the thirty-four rural communities presently served. Phase II was to require a \$4 to \$5 million investment to expand rural service in Maine and New Hampshire. Phase III was to offer cable service to rural communities in Vermont, and was projected to cost \$16 million. The implementation of Phases II and III is unlikely to occur if the Order goes into effect in its present form, because of difficulties in attracting capital investment or other financing (as more particularly described below).

6. At the present time, even without any rate reductions under the Commission's proposed regulations, Grassroots is not earning a net profit on its cable service operations.

7. The current rates of Grassroots' systems exceed those permissible under the benchmark rate structure prescribed by the Commission. According to our present calculations, if the benchmark method were implemented (and assuming no changes in customers or selection of services), Grassroots' Maine systems would be required to reduce their rates by an average of 16.5%, ranging from a low of a 13.1% rate reduction to a high of a 28.5% rate reduction. Similarly, if the benchmark method were implemented we calculate that Grassroots' New Hampshire systems

would be required to reduce their rates by an average of 9%, ranging from a low of a 3.8% rate reduction to a high of a 17.4% rate reduction. The projected annual revenue loss for Grassroots as a whole with those rate reductions is \$272,052.00, which is 14.7% of our existing revenue base.

8. Such a rate reduction would have an immediate, adverse and irreparable impact on Grassroots' operations. The projected revenues we would receive under the benchmark rates are insufficient to meet Grassroots' expenses, including debt service. As a result, if forced to adopt benchmark rates, Grassroots would be required to seek the protection of bankruptcy court in order to avoid foreclosure on its assets and continue in business.

9. In particular, the projected cash flow reduction under benchmark rates would make it impossible for Grassroots to service its existing debt. Grassroots was in the process of attempting to restructure its debt when the Commission's Order issued. The projected cash flow under benchmark rates would be insufficient to service Grassroots' debt even under the proposed restructuring agreements (even assuming those agreements ultimately are entered). The projected revenue reduction caused by benchmark rates would place Grassroots in default of existing loan covenants (as well as the proposed restructured loan covenants), including covenants on debt coverage, interest coverage and cash flow multiples.

10. Upon default, Grassroots' senior and subordinated lenders have the right to call the loan and to foreclose on the loan security, which consists of virtually all company assets. Default

12. Creditors' loss would also trigger defaults on cross

the required improvements are not made, Grassroots may be in default of franchise agreements, and risks the revocation or nonrenewal of our franchises.

13. Because the Commission has not yet released any regulations for "cost of service" determinations, Grassroots cannot determine what costs may be recovered or what rate of return it can expect to obtain. If cost of service regulations did not permit the recovery of debt service, Grassroots would not be able to continue operations under that approach. Thus, at the present time cost of service is not a viable option, because the resulting rates

might result in rates of return that are not acceptable to the public.

DECLARATION OF VICTOR S. FALK, III

I, Victor S. Falk, III, do hereby depose and state:

1. I am Vice President, Secretary and General Counsel of Wometco Cable Corp. ("Wometco"). Wometco provides managerial services to Atlanta Cable Partners, L.P. and Georgia Cable Partners, both of which entities do business as Georgia Cable Television & Communications ("GCTV"), and I effectively act as General Counsel for those two entities as well. Wometco (through subsidiaries) and GCTV operate cable television systems serving approximately 405,000 subscribers in over 50 franchise areas in the metropolitan Atlanta, Georgia area.

2. I am familiar with the cable operations of Wometco and GCTV. I have been involved in the process of reviewing and analyzing the effect of the Federal Communications Commission ("FCC") rate regulations on the cable operations of Wometco and GCTV.

3. The new FCC rate regulations require companies to choose between the benchmark method of regulation and a cost-of-service method of regulation. Wometco and GCTV have engaged in the process of calculating the rates that they will be permitted to charge cable subscribers under the FCC benchmark standards. We have encountered major difficulties in calculating with any degree of precision the permissible rate under the FCC's benchmark standards. This stems from the fact that there are still unresolved questions about the application of various aspects of the benchmark standards which have not yet been addressed by the FCC and the FCC has not yet acted on pending petitions requesting it to reconsider and revise in a substantial fashion numerous aspects of its benchmark standards.